ISO: from the top

Jim Wade, a director of Advanced Training

A new emphasis on senior management involvement is one of the most talked about revisions to ISO 9000. Jim Wade, a director of Advanced Training, discusses what the new standard requires from the top and what the benefits are

British quality expert and author, John Macdonald, believes that all managers are committed to quality. 'Ask them, and they will tell you it's true' he says. 'However, sometimes it is difficult to find out to what exactly it is that managers are committed'.

American management visionary Tom Peters has a typically direct message to managers concerning their focus on quality and continual improvement: 'You are what you spend your time on. You're as committed - or as uncommitted - as your diary says you are.' These two observations neatly capture two fundamental issues that have traditionally undermined the ability of a QMS to actually do its job:

- top management tends not to define 'quality' precisely and usefully
- top management tends not to take the necessary actions to ensure that quality is achieved

As Sir John Harvey-Jones says, 'all of us who try to change our organisations know that the starting point is to change oneself'. ISO 9001:2000 requires organisations to change - to continually improve - and that necessitates changes by senior managers.

If top management can make the personal changes to address these two issues then it demonstrates management commitment within an organisation and sets a powerful framework for continual improvement. The fact that these issues are now dealt with in ISO 9001 is significantly good news.

The one true definition of quality...

The reason you need to define 'quality' is simply that, if you don't know what it is, you'll never know whether or not you are achieving it. As the cat in Wonderland told Alice: 'If you don't know where you want to get to, it doesn't matter which way you go.' If the cat had been a businessperson, she would have added that not knowing where you want to get to also makes it difficult to communicate to other people what is to be achieved and why, let alone to motivate them to act!

There are many general-purpose definitions of quality (see 'define quality' in October's QW for examples). For practical management purposes you can ignore them all. The only definition of quality that counts is the one on which you and your senior management colleagues are agreed. Clearly if you have a definition that clashes with what your customers, your suppliers, your partners, or the people in your organisation, that would be a problem. So you will no doubt listen carefully to these stakeholders before you decide. But - the decision is yours!

ISO 9001 helps you make this key decision by requiring top management to

establish measurable quality objectives. These measurable objectives define what you mean by 'quality'. The standard also helps by requiring objectives that improve the degree to which your products and services meet requirements, the effectiveness of your processes and the perceptions of your customers.

Quality and algebra

There is a strong trend for managers to stop talking about a 'quality' management system. Kyocera Mita UK Limited, the ISO 9001:2000 registered document solutions company (its business processes are discussed below), refers to its 'business management system'. Another firm I know calls its system simply 'the way we choose to do things round here'. 'Q', like 'x', is an algebraic expression - it exists only to be replaced by something that you, your colleagues and your customers understand!

Similarly, the distinction between quality objectives and other objectives is irrelevant. Provided you take into account the few important items ISO 9001 asks for, you can define and measure quality any way you choose. And, of course, once you have a set of objectives that suits you and your customers, you can drop the vague word 'quality' and focus your energies and your system on achieving your objectives.

Vital processes

ISO 9001 reminds you that, as well as your objectives, you must put in place the processes that make achieving your objectives possible. Confusion sometimes means that processes (which are now required) are approached as though they are the same as procedures (which ISO 9000 used to require in much greater quantities).

Processes are not procedures. A process specifies what happens, a procedure specifies how a process is carried out - it helps people do their jobs. Processes are for managers - think of them as business processes. The old saying 'if we always do what we've always done, we'll always get what we've always got' applies. If you want to improve the results you get, the chances are very high that you must change what is done in your organisation - you must change your business processes.
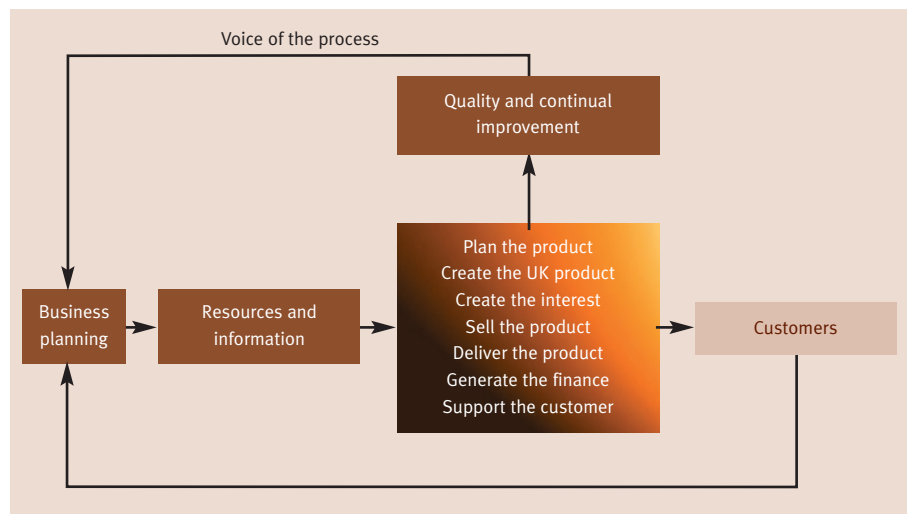
Most organisations, at the top management level, identify very few business processes (typically less than 15). But organisations will typically want to focus - at least initially - on a smaller number of processes. These are the key business processes that relate directly to the work of the organisation in providing products and services to customers. They also tend to consume most of the resources and occupy the majority of the people in the organisation. Table 1 shows a generic list of business processes, and specific examples of business processes from Kyocera Mita UK can be seen in figure 1.

Keeping it simple

The good news about business processes is that their description can be very simple and they can be dealt with more efficient-

Table 1: Generic business processes

Key processes:	Management & support processes:
Understand markets	Develop and manage people
Understand customers	Manage information resources
Develop vision and strategy	Manage financial resources
Design products and services	Manage physical resources
Market products and services	Manage external relationships
Sell products and services	Manage improvement and change
Produce products and services	
Deliver products and services	
Invoice customers	
Service customers	

Source: *Process Classification Framework*© Copyright by the American Productivity & Quality Center (APQC).

Table 2: ISO 9000:2000 Management Principles

Customer focus
Leadership
Involvement of people
Process approach
System approach to management
Continual improvement
Factual approach to decision making
Mutually beneficial supplier relationships.

See *Excellence! The journey starts here* [QW May 2000] for a discussion of the management actions implied by these principles.

Figure 1. Specific example of business processes (with thanks to Kyocera Mita UK limited)

ly than the previously required procedures. Figure 2 shows the essential elements of a business process description. These are: the process name; the name of the process owner (the manager responsible for decisions about improvements to the process); the resources needed to operate the process; the inputs and outputs; and the performance measures to be applied to the inputs, to the outputs and to the efficiency of the process itself.

A simple diagram that describes your key business processes in this way will provide you with an excellent 'big picture' of the real heart of your system. This will provide a basis to meet ISO 9001's requirements: determine your process structure; ensure the processes are put into use and measured; review their performance and take action to improve and develop them.

Top management actions

The actions that ISO 9001 requires of top management are focused on continual improvement, which is one of eight management principles that underpin the standard (see Table 2).

You are required to ensure that you continually improve the:
- degree to which your products and services meet customer requirements
- effectiveness of your processes (ie improved results)
- perceptions of your customers as to how well requirements have been met

Unfortunately, 'continual improvement' is turning into a bit of a buzz phrase, as though it is a special form of improvement. Even ISO 9001 asks you, confusingly, to 'evaluate where continual (sic) improvement of the effectiveness of the QMS can be made'. All that the principle of continual improvement implies is that you:
- adopt an attitude that it is always possible to improve
- develop the skills (such as looking for causes of problems) and the tools (like simple charts and graphs) to be able to improve systematically
- always know what must improve next and how you will measure the improvement
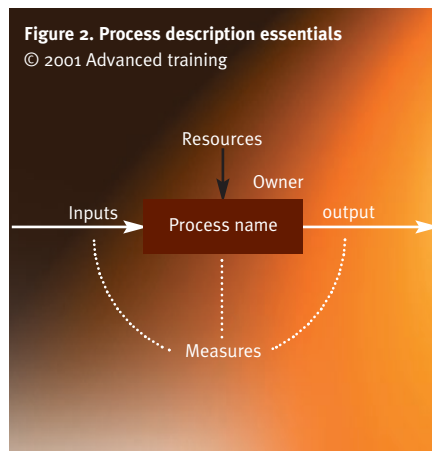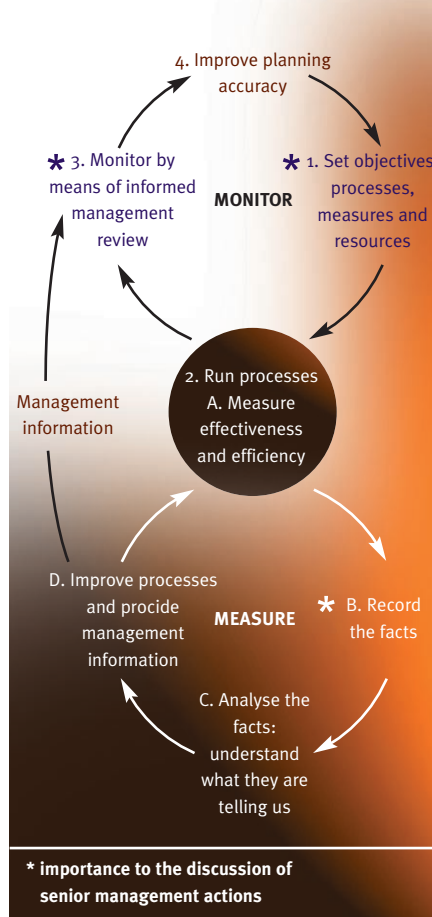

Figure 2. Process description essentials
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Resources
Owner
Inputs
Process name
output
Measures

Figure 3. Continual improvement cycle
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4. Improve planning accuracy

* 3. Monitor by means of informed management review

MONITOR

* 1. Set objectives, processes, measures and resources

Management information

2. Run processes
A. Measure effectiveness and efficiency

D. Improve processes and procide management information

MEASURE

* B. Record the facts

C. Analyse the facts: understand what they are telling us

* importance to the discussion of senior management actions

Cycle of improvement

Figure 3 shows the basic steps that make up the cycle of improvement embedded in ISO 9001. Steps A to D constitute the MEASURE cycle which is carried out by the people who execute the processes of

the organisation. It deals with taking the measures you need, capturing facts in the form of records, analysing and understanding the facts, and taking actions such as process improvement and provision of management information (showing performance, history and trends). Steps 1 to 4 represent the MONITOR cycle which is carried out by top management. This cycle covers planning (objectives, processes, measures and resources) and reviewing progress against the plan, using management information generated by the MEASURE cycle.

Review the business, not just quality

This key step (monitor by means of informed management review) is traditionally represented by a minimal, typically annual, senior management review of the QMS. ISO 9001:2000 now requires that the review generates decisions on key matters such as process improvement, resource allocation, product improvement driven by customer requirements, and the establishment of new improvement objectives.

Bearing in mind the importance of these sorts of topics, you will probably not want to institute a separate review, knowing that this sends signals to people in the organisation that quality is outside the normal activities of management.

Summary of management actions and benefits

- define 'quality' in the form of objectives to help internal communication of what is to be achieved (product and service requirements, process effectiveness and efficiency, customer perception etc.)
- show that the business is central to the system by using your normal business language, not 'quality' or ISO 9001 terms
- produce a simple top-level big picture of your business processes to show how the system improves results by focusing on the improvement of processes
- demonstrate your commitment to continual improvement by focusing on the next improvement and by taking it seriously
- show that the 'quality' approach is becoming instituted by integrating reviews into normal management cycles
- ensure that records are turned visibly into management information so that people keeping them understand their importance

It is not a requirement to conduct these reviews all in one mammoth meeting. Kyocera Mita UK, for example, deal with some of the requirements in business process review meetings, typically focusing on the performance and improvement of a specific process. The essence of management review is to integrate the ISO 9001 requirements into the natural course of managing the business. Kyocera Mita UK, incidentally, carries this sort of integration right to the top of the business by structuring their business plan around the elements of the excellence model.

Records are for managers, not for auditors

Is there any record in your system with no clear business purpose? If so, get rid of it! There are two basic purposes in business for a record:

- to record the fact that something happened. For example: the project was approved on November 12

- to record how well something happened. For example: we failed the project approval twice (for these reasons…) before it was finally approved

The key purpose of the latter form of record (the old ISO 9000 used to helpfully call them 'quality records'!) is to capture data that provides you with management information about how well - or otherwise - your system is working and the progress that is being made in achieving your objectives. It is not the purpose of any record to provide 'evidence' to auditors - this is incidental **Q**

Jim Wade has an international corporate background, from project engineer to board-level management with two IT multinationals. Wade is now a director of Wantage based company, Advanced Training. He initiated and continues to facilitate The Business Improvement Network (www.bin.co.uk), which offers free information and subsidised workshops on continual business improvement. He can be contacted at jim.wade@a-t.co.uk or on t: 0118 987 5120.

Kyocera Mita (UK) Ltd is the UK arm of Kyocera Corporation's document solutions company, formed from Kyocera's acquisition of Mita Copystar. Kyocera Mita's products bring together Kyocera's network laser printer technology and the paper handling expertise of Mita to allow control over all aspects of document management. Read more at: www.kyoceramita.co.uk